



Adnoddau | Corporate
Corfforaethol | Resources

BUDGET FOR CONSULTATION – HOMES AND SAFER COMMUNITIES SCRUTINY FEBRUARY 2024

VALE of GLAMORGAN



BRO MORGANNWG

Adnoddau

Corfforaethol

Corporate

Resources

DRAFT REVENUE 2024/25 AND MEDIUM TERM FINANCIAL PLAN

Uchelgais • Ambitious

Agored • Open

Cydweithio • Together

Balchder • Proud

REVENUE BUDGET HEADLINES

- Really challenging budget process and some of the elements we are reporting as pressure points are emerging in the national picture.
- November report set out adjusted Cost Pressures circa £21m against approx. £38m unadjusted Cost Pressures
- Work undertaken assess ability to mitigate unawarded cost pressures.
- This includes only 75% funding of assumed pay pressures for 2024/25
- Priority in funding to Social Care, Schools and Homelessness – mitigating issues seen in Schools in 2023/24 budget, ALN growth, LAC growth and increased complexity, Increased complexity and growth Adults Social Care, Growth in Homelessness and Inflationary pressures.

REVENUE BUDGET HEADLINES

- Settlement as anticipated, only 3.1% approx. £20k difference
- Council Tax increase proposed 6.7% allowing some reduction in savings e.g. protection for supported bus services.
- Savings requirement £7.8M – unprecedented level – Some Tactical and Some Transformational. Higher level of savings in discretionary services one small saving in Schools linked to energy reduction
- Significant pressures in future years too, £9.4M 2025/26 – need to think about the need to Transform – work undertaken to consider what the organisation will need to look like in 2030 and how we get there.
- Fees and charges 6.7% CPI requirement



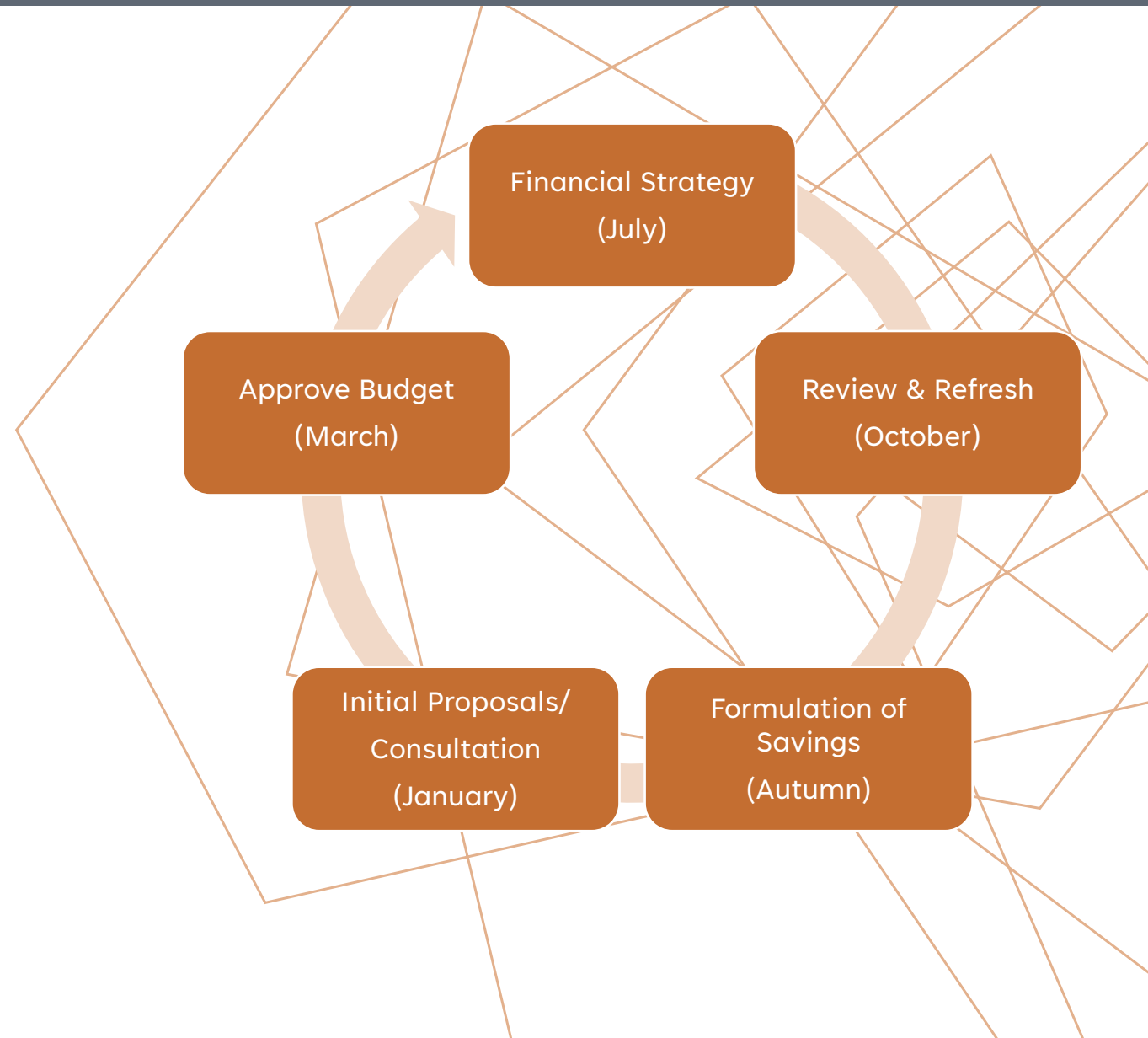
The Council launched its Let's Talk about Life in the Vale Survey in August 2023. It is being run on behalf of the Council by independent researchers at Data Cymru.

This survey is different to other Vale wide surveys that the Council has run in the past. It doesn't simply ask how satisfied people are with Council services. Instead, there is a genuine attempt to understand what life is like for people living in the Vale and how public services affect this.

Cost of Living is a significant issue for residents. Over 60% had purposely not put their heating on in the last six months and only 44% said they could pay an unexpected but necessary payment of £850. Residents were asked about their priorities and to rank their importance. The top priority for 42% of the population was 'Easily accessible care and health care services when I or my family need them' and 78.1% ranked this in their top three priorities. Second at 26.6% was 'buy or rent a good quality home' and 47.6% ranked this in their top three. It is reassuring that these are areas that the Council is focussing resources on through its Financial Strategy

BUDGET PLANNING CYCLE

- Cost Pressures Submitted Start of September
- Initial Review by SLT
- 2 Rounds of Budget Working Groups with Finance/HR/Leader/Directors and Head of Service and Cabinet Members.
- Initial Review and refinement of cost pressures feeding into Update Cabinet Report in November.
- Budget Forum Session
- Second BWG focusing on Savings proposals and Transformation.
- Further review by SLT and Business Cabinet of Savings.
- Following receipt of Provisional Settlement update for SLT and Business Cabinet



SUMMARY FIVE YEAR POSITION

	2024/25	2025/26	2026/27	2027/28	2028/29
	£000's	£000's	£000's	£000's	£000's
Funding					
Government Grant	6,099	2,089	2,110	2,131	2,152
Council Tax (6.7% dropping to 3.9%)	7,454	3,937	4,090	4,250	4,416
Use of General Fund Reserves	-496	0	0	0	0
Use of Smoothing Reserves	-56	-1,799	-500	-445	0
Total Funding	13,001	4,227	5,700	5,936	6,568
Spending					
Investment	318	1,262	1,000	0	0
Demography	5,064	2,635	2,543	2,543	2,543
Inflationary - Pay	6,150	3,658	3,731	3,805	3,882
Inflation	5,193	5,110	5,075	5,075	5,075
Capital Financing	50	285	496	187	0
Pressure	4,073	702	365	252	623
Total Spending Pressures	20,848	13,652	13,210	11,862	12,123
Gap	7,846	9,425	7,510	5,926	5,555

2024/25 DRAFT REVENUE SUMMARY BY AREA

Adnoddau | Corporate
Corfforaethol | Resources



	Learning & Skills	Schools	Social Services	Others	Total Pressures
	£'000	£'000	£'000	£'000	£'000
Original Budget	16,439	114,239	88,891	74,853	294,422
Centralisation Recharges	-2,389	0	-3,631	6,020	0
Adjusted Original Budget	14,050	114,239	85,260	80,873	294,422
Pressures					
Investment	-	318	-	-	318
Demography	-	897	4,015	152	5,064
Inflation	231	4,192	6,077	843	11,342
Other Pressures	-	-469	2,767	1,775	4,073
Capital Financing	-	-	-	50	50
Total Pressures	231	4,939	12,858	2,820	20,848
Use of Reserves	-	900	-	-348	552
Savings	-354	-180	-1,755	-5,558	-7,847
Net Funding Increase	-123	5,659	11,103	-3,086	13,552
% Increase /(Decrease)	-0.88%	4.95%	13.02%	-3.82%	4.60%
Net Budget 2024/25	13,927	119,898	96,363	77,787	307,974

SCRUTINY SPECIFIC COST PRESSURES

Adnoddau
Corfforaethol

Corporate
Resources

Description	2024/25 Adjusted	2025/26	2026/27	2027/28	2028/29	Category of Growth
	£000's	£000's	£000's	£000's	£000's	
Cost of B&B Homelessness Accommodation	1,460	- 500	- 500	- 460		-Pressure

SAVINGS PROPOSALS SUMMARY

Service Area	2024/25 £'000s
Subtotal Schools	180
Subtotal Directorate Learning and Skills	356
Subtotal Directorate Social Services	1,755
Subtotal Directorate Neighbourhood and Housing	1,903
Subtotal Directorate Place	286
Subtotal Directorate Corporate Resources	1,348
Service Area	2024/25 £'000s
Transformational	1,360
Tactical	6,488
Total Savings	7,847
Total Savings	7,847

Energy Saving in Schools

Non Maintained Nursery Settings, Income in Adult and Community Learning and Use of Grant in Youth Services.

Review Accommodation, Service Review in Community Care, Remodelling Day Services, Introducing New Charges and Expanding Telecare.

Reduction in service levels, Expanding charging in Waste, Asset reviews, School Crossing Patrols, Parking Charges. Est 12 fte

Reduction in budgets, increase in charges and new charges in Planning space, Restructuring teams. Est 3 fte

Office Accommodation changes, Supplier Spend, Fees and Charges and £339k reduction in Headcount approx. 9.5fte

SCRUTINY SPECIFIC SAVINGS

	Category	£'000	£'000	Overall RAG Status	Comments/Narrative
		2024/25	2025/26		
Invest to Save Pest Control (Shared Regulatory Services)	Service Transformation	50	-	Amber	Invest to save proposal for Authority Specific Pest Control to be funded from Invest to Save Reserve
Budget Adjustment Pre Tenancy Adviser and Voluntary Assisted Tenancies budget	Service Review	28	-	Amber	Budget Adjustment
Miscellaneous	Service Review	8	-	Green	Miscellaneous Budget Adjustments

USE OF RESERVES

- Use of reserves £2.7m as part of these proposals – Mainly Homelessness and Energy
- Some Risk Based Reserves e.g. Pay Pressures, Legal Reserve, Corporate Landlord
- Reserves established to support Transformation – Risk, Reshaping and Investment and Digital Reshaping have been increased
- Need further review additional reserves for Final Proposals
 - Set aside for Social Services
 - Set aside funding for Budget Risk.

NEXT STEPS

Date	Body	Activity
19 January 2024	Community & Partners, including Trade Unions and Public Service Board	Consultation on budget proposals
February 2024	Scrutiny	Review estimates and savings proposals. First meeting 6 February Healthy Living & Social Care to last 21 February Corporate Performance & Resources.
16 February 2024	Community & Partners, including Trade Unions and Public Services Board	Consultation on the budget proposals closes
29 February 2024	Cabinet	Draft Budget
Late February/Early March 2024	Welsh Government	Final Grant Settlement
6 March 2024	Council	Agree Budget

VALE of GLAMORGAN



BRO MORGANNWG

Adnoddau

Corfforaethol

Corporate

Resources

DRAFT CAPITAL PROPOSALS 2024/25 TO 2028/29

Uchelgais • Ambitious

Agored • Open

Cydweithio • Together

Balchder • Proud

DRAFT CAPITAL PROPOSALS

- The report sets out the Council's proposed Draft Capital Programme for 2024/25 to 2028/29.
- On 19th December 2023, the Welsh Government (WG) announced the provisional 2024/25 General Capital Funding (GCF) settlement. The amount awarded to the Council is £6.986m, being made up of £3.540m grant and £3.446m of supported borrowing.
- This is a decrease of £11k from the 2023/24 general capital funding of £6.997m
- As no further indication has been received from Welsh Government, it has been assumed that from 2025/26 onwards, the level of capital funding will be flatlined at £6.986m and will then remain constant for the remainder of the period of this programme.

DRAFT CAPITAL PROPOSALS

- A summary of the five year Capital Programme is provided below

Directorate	2024/25	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000	£000
Learning and Skills	21,360	2,360	3,750	4,435	2,000
Social Services	1,297	975	100	100	100
Environment	9,519	5,662	3,685	3,685	3,685
Housing	38,745	38,209	41,970	39,634	47,217
Place	3,643	1,605	1,305	1,305	1,150
Corporate Resources	704	250	569	862	862
City Deal	1,069	1,117	844	0	930
Pipeline Schemes	28,108	43,750	17,057	3,000	0
Total	104,445	93,928	69,280	53,021	55,944

DRAFT CAPITAL PROPOSALS

•Capital bids were requested to be returned by the 20th October and in total 47 bids were submitted. Gross capital bids over the five year period total £56.8m.

Directorate	2024/25	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000	£000
Learning and Skills	4,323	3,494	2,700	2,800	2,900
Social Services	385	555	0	0	0
Environment and Housing	11,771	6,570	5,245	5,245	4,500
Place	2,054	1,900	1,695	0	0
Corporate Resources	666	0	0	0	0
Total Gross Capital Bids	19,199	12,519	9,640	8,045	7,400
Less Available s106	0	0	0	0	0
Less Specific Grant	300	0	0	0	0
Total Net Capital Bids	18,899	12,519	9,640	8,045	7,400

DRAFT CAPITAL PROPOSALS

- Capital Bids have been considered by Insight Board and the Senior Leadership Team.
- In order to be able to fund high priority bids that have been submitted a further review of the Capital Programme has been undertaken.
- The risks associated with not progressing some of these high priority bids is significant and there will be some opportunity cost associated with identifying this level of funding. It is considered that the risk associated with not identifying this funding could be more significant than the risk associated with some high cost schemes within the programme.

DRAFT CAPITAL PROPOSALS

- Schemes that are proposed to be removed from the Capital Programme are set out below. However Llanmaes Construction is being added back in for the final proposals:-

Schemes Removed	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£000
Bridge Structures	0	1,425	0	0	0	0	1,425
New household Waste Recycling Centre	750	1,205	0	0	0	0	1,955
Fleet Parking	0	2,569	0	0	0	0	2,569
Social Services Residual Schemes	15	0	0	0	0	0	15
Social Services Asset Renewal	15	0	0	0	0	0	15
Llanmaes Construction	518	0	0	0	0	0	518
Unallocated All Services Asset Renewal	0	366	1,369	1,257	1,257	1,257	5,506
Total	1,298	5,565	1,369	1,257	1,257	1,257	12,003

DRAFT CAPITAL PROPOSALS

There were no bids proposed to be funded which are relevant to this Scrutiny Committee. A detailed breakdown of the capital bids and additional pressures proposed to be funded can be found in Table 9 of the Draft Capital Programme Proposal report.

The Final Capital Programme will reflect the content of the Housing Improvement Plan as approved by Council in January 2024.

NEXT STEPS

Date	Body	Activity
19 January 2024	Community & Partners, including Trade Unions and Public Service Board	Consultation on budget proposals
February 2024	Scrutiny	Review Capital proposals. First meeting 6 February Healthy Living & Social Care to last 21 February Corporate Performance & Resources.
16 February 2024	Community & Partners, including Trade Unions and Public Services Board	Consultation on the budget proposals closes
29 February 2024	Cabinet	Draft Budget
Late February/Early March 2024	Welsh Government	Final Grant Settlement
6 March 2024	Council	Agree Budget

VALE of GLAMORGAN



BRO MORGANNWG

Adnoddau

Corfforaethol

Corporate

Resources

DIOLCH

Uchelgais • Ambitious

Agored • Open

Cydweithio • Together

Balchder • Proud